

# **Exhibit 1**

# The Tennessean.

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## Prison official steered \$123M contract to company that hired him, lawsuit says

**Adam Tamburin** Nashville Tennessean

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A Tennessee prison official steered a \$123 million state contract to a health care firm before taking a job as a vice president at the same company, according to an antitrust lawsuit filed against the Department of Correction.

The lawsuit centers on the 2020 contract to provide behavioral health care to Tennessee prison inmates. In the suit, Brentwood-based prison health care company Corizon accuses the state of skewing the public bidding process to benefit its competitor, Centurion.

Documents produced during discovery and provided to The Tennessean appear to show then-Department of Correction official Wes Landers used a private email account to give Centurion multiple updates and state documents throughout the process.

**More:** Tennessee prisons mishandled death data and sexual abuse claims, must improve oversight

"As promised," Landers wrote in a May 2019 email sharing an internal state procurement document with Centurion leaders, according to the discovery materials.

Landers was the chief financial officer at the state prisons agency from 2012-2020. He started a job as a Centurion executive in March 2020, while the procurement process for the contract was still underway, according to court documents.

Corizon sued the state and Centurion last fall, saying the state intentionally and illegally shut out other companies competing for the lucrative behavioral health contract. Details have continued to emerge during discovery and depositions as both sides prepare for a 2022 trial date.

"What we thought was a normal and fair process was tainted internally to heavily favor one competitor over all others," Corizon said in a statement responding to questions about the lawsuit.

Corizon argued the existing contract should be voided.

"Procurement should go back to step one and begin again," the company's statement read.

**See also:** TDOC commissioner sworn in as president of American Correctional Association

Department of Correction spokesperson Dorinda Carter declined to comment on the pending litigation. The suit also targets state procurement officials and other employees. The Tennessee

attorney general's office declined to comment.

Centurion and its attorneys did not respond to emails seeking comment on the lawsuit.

But in court filings, the state and Centurion forcefully denied allegations in the lawsuit. Centurion attorneys called the lawsuit "legally flawed and factually deficient," and dismissed its central claims as "fiction."

## **Bond amount 'flummoxed' health care company**

In the lawsuit, Corizon said the state rigged the requirements of the behavioral health contract so that Centurion would be the only company with the financial resources to get it.

Corizon lawyers said the state altered its original bid request to require a "maximum liability" performance bond, which company lawyers said was worth a prohibitive \$118 million. The original request called for a \$1 million performance bond.

Requests for proposals are often altered. But this change was so unusual, "Corizon assumed at first it was a mistake," the company's amended lawsuit stated.

"Nothing like the Performance Bond Change had ever happened before

in the Market," the lawsuit stated. "There is no reasonable explanation for it, and, upon information and belief, most respondents were flummoxed by it."

Corizon held the previous two contracts for inmate behavioral health, awarded in 2012 and 2016. The 2016 contract required a \$1 million performance bond, according to the complaint.

The Corizon complaint said no other company competing for the contract could realistically meet the requirement for a dramatically higher performance bond.

"Centurion was awarded the Contract under terms only Centurion could meet," the complaint stated.

Corizon said the unusual structure of the 2020 behavioral health contract could foreshadow a similar dynamic for future prison contracts.

"The Change and the follow-on agreements and pacts between the State Employee Defendants and Centurion all but ensure that only one participant in the Market — Centurion — will be able to win Market services contracts in the future," the complaint stated.

Centurion lawyers fought this point while arguing to dismiss the lawsuit. They said three other companies secured the necessary bond and competed for the behavioral health care contract, with Centurion narrowly edging them out.

**Related:** Report: State prison populations have not meaningfully dropped during pandemic, Tennessee included

## **State official used private Gmail to share information, according to documents**

Centurion documents produced during discovery show a Gmail account linked with "Wes Landers" shared details with the company about the ongoing procurement process surrounding the behavioral health contract.

Using the Gmail account, Landers sent drafts of the RFP and proposed changes, according to the documents.

Documents obtained by The Tennessean show Landers sent an RFP draft, with a government employees notes, in March 2019. He also shared email chains showing internal state discussions about the RFP. The documents show Landers weighed in on the procurement process.

Landers sent more notes and revisions in May 2019, a progress update in June 2019 and alerted Centurion officials when the RFP was released in August 2019.

Separately, while the contract process was underway, Landers communicated in February 2020 with one of the same Centurion executives about a new job overseeing the company's work in Georgia, court documents show.

Court documents show Landers communicated with state employees about the procurement process in February 2020. Landers left his state job in March 2020 to start work at Centurion as vice president of operations for Centurion of Georgia.

"We were shocked to learn that Mr. Landers shared operational information Corizon had provided to its then client with only one bidder in order to give Centurion a competitive advantage during the RFP process," Corizon said in a statement responding to questions about the discovery documents. "In a normal RFP process, if TDOC wanted to share this information it should have been provided to all bidders to ensure a fair process."

In a deposition obtained by The Tennessean, Landers said Centurion terminated his employment in February 2021. He recalled that pandemic-related downsizing and the pending lawsuit were discussed during his call with the Centurion CEO.

"I think the lawsuit, this lawsuit, probably had something to do with it," Landers said, according to the deposition transcript.

In court documents, Landers said he had "no influence or control" over the performance bond requirements. He said his involvement in the procurement process was in keeping with his job requirements.

State attorneys said Corizon "implied" impropriety in its lawsuit without providing the necessary proof of an agreement or conspiracy. The state said Corizon "has never provided the how, what, when, where, or why to the purported agreement because (Corizon) cannot."

Corizon said in its statement that the discovery documents "seem to corroborate" its claim.

Landers, who is not a named defendant in the lawsuit, did not respond to an email from The Tennessean. His attorney John Farringer said they had no comment.

## **Centurion, Corizon have sparred before**

Centurion and Corizon are familiar competitors in Tennessee prison health care. And this is not the first time Corizon executives accused Centurion of using its connections with state employees for a competitive edge.

In 2013, after Centurion won a \$200 million contract to provide general health care to Tennessee inmates, Corizon objected.

At the time, the then corrections commissioner's wife worked at Centurion.

A lawmaker described the 2013 process as "a squirrely situation" and called for a review.

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# 'Indisputable public corruption': Tennessee prisons contract lawsuit heats up

**Adam Tamburin** Nashville Tennessean

Published 6:01 p.m. CT Apr. 9, 2021 | Updated 6:19 p.m. CT Apr. 9, 2021

Private email chains and depositions expose "indisputable public corruption" within the Tennessee prison system, according to a new court filing in an ongoing lawsuit over a \$123 million state contract.

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The lawsuit uncovered evidence that former Tennessee Department of Correction official Wes Landers used his Gmail account to send internal state documents and notes to Centurion, a company competing for the contract to provide mental health care to inmates.

Centurion got the lucrative state contract.

Landers, then the chief financial officer at the Department of Correction, got a job as a vice president at Centurion.

**MORE:** Prison official steered \$123M contract to company that hired him, lawsuit says

"Landers was obviously looking for something in return, and he got it," the latest filing says. "Landers did not even have to interview for his new job."

Corizon, a Brentwood-based company that lost out in its bid to win the mental health contract, sued the state and Centurion in 2020. The company requested the court's permission to file an expanded version of the lawsuit Friday evening.

The expanded complaint proposed in court documents names Landers as a defendant and says new evidence proved he was instrumental in steering the contract to Centurion.

Documents produced during discovery show Landers shared many details about the contracting process with Centurion executive Jeffrey Wells, including internal deliberations about contract requirements that had not

which hid their messages from public records requests. They said they also communicated using the encrypted messaging app WhatsApp. But any potential messages were scrubbed before Corizon lawyers could review them.

As the antitrust lawsuit proceeded, Centurion terminated Landers and Wells, court documents show. In their depositions, both men acknowledged their terminations might have been tied to the ongoing litigation.

"Generally, (the state and its employees) have, to date, chosen to look the other way despite the massive fraud that infected this solicitation process," the new court filing stated. "The State's unwillingness to take action against Centurion is difficult to understand unless Landers is not the only bad actor."

Corizon argued the existing contract should be voided.

Department of Correction spokesperson Dorinda Carter said the agency could not comment on pending litigation.

The state attorney general's office, Centurion, and Landers' attorney John Farringer did not immediately respond to requests for comment on the latest filing Friday evening.

## **Proposed lawsuit changes revolve around newly discovered documents**

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process to benefit its competitor, Centurion.

"As promised," Landers wrote in a May 2019 email sharing an internal state procurement document with Wells and other Centurion leaders, according to the discovery materials.

Corizon lawyers said the state altered its original bid request to require a "maximum liability" performance bond, which company lawyers said was worth more than \$118 million. The original request called for a \$1 million performance bond.

Corizon argued the increase squeezed the company out of the running for the contract, clearing the way for Centurion. The state and Centurion pushed back on this point, saying other companies remained competitive in the bidding despite the bond change.

Discovery documents show Landers used his Gmail to send Wells and Centurion a copy of the drafted performance bond change on Jan. 3, 2020, weeks before it was made public.

Landers communicated in February 2020 with Wells and others about his new job overseeing Centurion's work in Georgia, court documents show. Landers forwarded his Department of Correction retirement notice to Wells in early February.

"And that's wrap," Landers wrote, according to a description of the Gmail message filed with the court.



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# Expert says Tennessee prison contract corruption case raises 'red flags'

**Adam Tamburin** Nashville Tennessean

Allegations that a senior leader in the Tennessee prison system steered a lucrative state contract to a company that gave him a job raise "red flags" about fairness, according to an expert in government procurement.

An ongoing lawsuit accuses the Tennessee Department of Correction and other state employees of allowing "indisputable public corruption" and then trying to cover it up.

The agency's chief financial officer, Wes Landers, gave the health care giant Centurion inside information about a contract to provide psychological care for inmates, according to private emails obtained by The Tennessean.

After sharing notes and internal state documents, the official took a job as a vice president at Centurion.

Centurion got the \$123 million contract.

The lawsuit also accuses Landers of skewing the contract requirements to squeeze out Centurion's competitor, the Brentwood-based company Corizon.

Corizon sued the state and Centurion last year in federal court, and then stumbled upon the emails and other discovery documents that supported its claims.

Federal law limits the jobs procurement officials can take after negotiating national government contracts in order to avoid such an appearance of bias, said Jessica Tillipman, the assistant dean for government procurement law studies at the George Washington University law school.

After the lawsuit was filed, Centurion terminated Landers and one of the executives with whom he shared inside information. In their depositions, which were obtained by The Tennessean, both men acknowledged their terminations might have been tied to the ongoing litigation.

**Go deeper:** 'Indisputable public corruption': Tennessee prisons contract lawsuit heats up

**Opinion:** How private industry and government can team up to end prison recidivism

Tillipman called the allegations leveled in Corizon's lawsuit "problematic," and said they could be "part of a bigger package of evidence" that the procurement process was flawed.

Federal laws, which do not dictate Tennessee's procurement process, were designed to prevent some of the allegations raised in the Nashville lawsuit.

Tillipman pointed to the Procurement Integrity Act, which passed Congress after the FBI and other national agencies uncovered similar allegations of corruption as part of the blockbuster Operation Ill Wind in the 1980s and 1990s.

In Operation Ill Wind, top officials at the U.S. Department of Defense took bribes to give businesses inside information on weapons contracts, according to an account from the FBI. Senior Pentagon officials were among those prosecuted in that case.

More broadly, Tillipman said, changing a request for proposals in a way that weeds out too many competitors stands in stark contrast to the overarching goal of the public bidding process.

"Generally we want to have as much competition as possible," Tillipman said. "When there's greater competition that can often lead to better quality."

State officials have declined to comment on the lawsuit, although their attorneys dispute the allegations. Media representatives from Centurion did not respond to requests for comment.

The antitrust lawsuit is pending in the federal court for the Middle District of Tennessee. Corizon asked to add to the suit earlier this month based on the emerging evidence about Landers' private emails to Centurion.

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**LOCAL**

# State scraps \$123 million prison contract, saying an official's secret emails broke the rules

**Adam Tamburin** Nashville Tennessean

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The state of Tennessee is scrapping a \$123 million contract to provide mental health care in prisons after evidence surfaced that a top state official privately shared internal documents with the winning bidder.

The decision came Monday, more than a month after The Tennessean published stories about private emails between agency's previous chief financial officer, Wes Landers, and the health care giant Centurion.

Landers used his Gmail account to send the company inside information about the mental health care contract, including internal documents that were not released to the public.

"As promised," he wrote in one of the emails including internal state documents.

After sharing documents and forwarding email chains discussing the procurement process, Landers took a job as a vice president at Centurion. Centurion got the contract in 2020.

The Tennessee Department of Correction announced it would drop the contract Monday, saying it received documents showing practices that were "inconsistent with the rules and regulations in place to insure fairness and transparency in the procurement process."

A new procurement process will start from scratch, with a request for proposals, bidding and contract award. Department of Correction spokesperson Dorinda Carter said Centurion will continue to provide mental health services to state prisoners while that process is underway.

The state has not set a date for the new request for proposals, Carter said. She said she was "not in a position to comment on whether action will be taken against" Centurion after the rule violations were discovered.

# Emails emerged as part of federal lawsuit against the state

The emails and other documents emerged as part of a federal lawsuit filed by Centurion's competitor, the Brentwood-based company Corizon. Corizon sued the state, Centurion and Landers.

Corizon said the emails, and Landers subsequent job with Centurion showed "indisputable public corruption." Corizon lawyers said Landers also skewed the contract requirements to squeeze out competition.

"Landers was obviously looking for something in return, and he got it," Corizon lawyers wrote in court. "Landers did not even have to interview for his new job."

As the lawsuit proceeded, and discovery documents revealed Landers' private communications with Centurion, the company fired him.

Corizon argued in court that the existing contract should be voided. The state's decision hands the company a significant victory.

"Fair and robust competition are the cornerstones of any competitive procurement in the State of Tennessee," Carter said in a statement. "Therefore, (the state has) determined that the RFP for the procurement of inmate behavioral health services will be re-issued for bid and contract award."

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